

1                   **INTERSTATE ELECTRIC TRANSMISSION LINES**

2                                   2014 GENERAL SESSION

3                                   STATE OF UTAH

4                   **Chief Sponsor: Stephen G. Handy**

5                   Senate Sponsor: Curtis S. Bramble

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7 **LONG TITLE**

8 **General Description:**

9           This bill enacts language related to a merchant electric transmission line.

10 **Highlighted Provisions:**

11           This bill:

- 12           ▶ defines terms;
- 13           ▶ requires a merchant electric transmission line to file an open solicitation notice with
- 14 the Office of Energy Development;
- 15           ▶ requires the Office of Energy Development to post notice of receipt of the open
- 16 solicitation notice;
- 17           ▶ permits an in-state merchant generator to submit an expression of need to the Office
- 18 of Energy Development;
- 19           ▶ requires the Office of Energy Development to prepare a certificate of in-state need;
- 20           ▶ requires a merchant electric transmission line to provide to the Federal Energy
- 21 Regulatory Commission a copy of the certificate of in-state need; and
- 22           ▶ requires a merchant electric transmission line to report to the Office of Energy
- 23 Development whether a merchant in-state generator has entered into a transmission
- 24 service agreement with the merchant electric transmission line.

25 **Money Appropriated in this Bill:**

26           None

27 **Other Special Clauses:**

28           None

29 **Utah Code Sections Affected:**

30 ENACTS:

31 [63M-4-402](#), Utah Code Annotated 1953

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33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **63M-4-402** is enacted to read:

35 **63M-4-402. In-state generator need -- Merchant electric transmission line.**

36 (1) As used in this section:

37 (a) "Capacity allocation process" means the process outlined by the Federal Energy  
38 Regulatory Commission in its final policy statement dated January 17, 2013, "Allocation of  
39 Capacity on New Merchant Transmission Projects and New Cost-Based, Participant-Funded  
40 Transmission Projects, Priority Rights to New Participant-Funded Transmission," 142 F.E.R.C.  
41 P61,038 (2013).

42 (b) "Certificate of in-state need" means a certificate issued by the office in accordance  
43 with this section identifying an in-state generator that meets the requirements and qualifications  
44 of this section.

45 (c) "Expression of need" means a document prepared and submitted to the office by an  
46 in-state merchant generator that describes or otherwise documents the transmission needs of  
47 the in-state merchant generator in conformance with the requirements of this section.

48 (d) "In-state merchant generator" means an electric power provider that generates  
49 power in Utah and does not provide service to retail customers within the boundaries of Utah.

50 (e) "Merchant electric transmission line" means a transmission line that does not  
51 provide electricity to retail customers within the boundaries of Utah.

52 (f) "Office" means the Office of Energy Development established in Section  
53 [63M-4-401](#).

54 (g) "Open solicitation notice" means a document prepared and submitted to the office  
55 by a merchant electric transmission line regarding the commencement of the line's open  
56 solicitation in compliance with 142 F.E.R.C. P61,038 (2013).

57 (2) As part of the capacity allocation process, a merchant electric transmission line

58 shall file an open solicitation notice with the office containing a description of the merchant  
59 electric transmission line, including:

- 60 (a) the proposed capacity;
- 61 (b) the location of potential interconnection for in-state merchant generators;
- 62 (c) the planned date for commencement of construction; and
- 63 (d) the planned commercial operations date.

64 (3) Upon receipt of the open solicitation notice, the office shall:

65 (a) publish the notice on the Utah Public Notice Website created under Section  
66 63F-1-701;

- 67 (b) include in the notice contact information; and
- 68 (c) provide the deadline date for submission of an expression of need.

69 (4) (a) In response to the open solicitation notice published by the office, and no later  
70 than 30 days after publication of the notice, an in-state merchant generator may submit an  
71 expression of need to the office.

72 (b) An expression of need submitted under Subsection (4)(a) shall include:

- 73 (i) a description of the in-state merchant generator; and
- 74 (ii) a schedule of transmission capacity requirement provided in megawatts, by point of  
75 receipt and point of delivery and by operating year.

76 (5) No later than 60 days after notice is published under Subsection (3), the office shall  
77 prepare a certificate of in-state need identifying the in-state merchant generators.

78 (6) Within five days of preparing the certificate of in-state need, the office shall:

79 (a) publish the certificate on the Utah Public Notice Website created under Section  
80 63F-1-701; and

81 (b) provide the certificate to the merchant electric transmission line for consideration in  
82 the capacity allocation process.

83 (7) The merchant electric transmission line shall:

84 (a) provide the Federal Energy Regulatory Commission with a copy of the certificate of  
85 in-state need; and

86 (b) certify that the certificate is being provided to the Federal Energy Regulatory  
87 Commission in accordance with the requirements of this section, including a citation to this  
88 section.

89 (8) At the conclusion of the capacity allocation process, and unless prohibited by a  
90 contractual obligation of confidentiality, the merchant electric transmission line shall report to  
91 the office whether a merchant in-state generator reflected on the certificate of in-state need has  
92 entered into a transmission service agreement with the merchant electric transmission line.

93 (9) This section may not be interpreted to:

94 (a) create an obligation of a merchant electric transmission line to pay for, or construct  
95 any portion of, the transmission line on behalf of an in-state merchant generator; or

96 (b) preempt, supersede, or otherwise conflict with Federal Energy Regulatory  
97 Commission rules and regulations applicable to a commercial transmission agreement,  
98 including agreements, or terms of agreements, as to cost, terms, transmission capacity, or key  
99 rates.

100 (10) Subsections (2) through (9) do not apply to a project entity as defined in Section  
101 [11-13-103](#).